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DCPO: WHO WE ARE AND WHAT WE DO

The Division of Capital Planning and Operations is the Commonwealth's property management, planning, and construction arm. DCPO oversees more than 60 million square feet of space in more than 5,000 buildings on nearly half a million acres of land. The Division is responsible for nearly every aspect of the state's real property functions: capital planning and budgeting, design and construction, major renovation and repair of state-owned property, leasing of space, land acquisition, and other property management tasks.

Currently, DCPO handles an average of $100 million worth of contracts a year. That figure is expected to expand to approximately $2.5 billion spread over the next eight years. Included in that $2.5 billion is more than $500 million authorized for correctional projects, $340 million for mental health, and $450 million proposed for higher education.

In order to carry out its functions, DCPO has been organized into eight offices.

The Office of Programming - Programming is the primary planning arm of DCPO, translating client agency needs into a workable program. It either conducts or oversees the studies which provide the foundation for the design and construction of a project.

The Office of Project Management - Project Management takes the program developed by the Office of Programming and incorporates it into a design and, finally, into a building. Project Management handles new construction (with the exception of certain correctional projects) and major rehabilitations and renovations.

The Office of Facilities Management - For the most part, Facilities Management is concerned with buildings which are already built. Facilities Management is responsible for smaller-scale projects, rehabilitations, renovations, preventive maintenance, and emergency repairs as well as for insuring health, safety, and fire code compliance in state buildings. This office is also responsible for administering the programs relating to energy conservation, handicapped accessibility, and the removal of asbestos and other toxic substances from state property.

The Office of Real Property -- Leases, land acquisitions, and dispositions all come under the Office of Real Property umbrella. Responsible for all transactions involving state-owned property, the Office of Real Property has a planning component as well, developing and administering guidelines for the sale of surplussed state-owned land.

The Office of Finance and Administration -- The Office of Finance and Administration is responsible for the fiscal and administrative operations at DCPO. OFA maintains and monitors accounts for the millions of dollars worth of on-going projects at DCPO, as well as for the agency's payroll and operational expenses.

Office of Capital Planning and Budgeting - Capital Planning and Budgeting works with the various state agencies to determine and prioritize their budgetary needs. The office is also responsible for developing the capital outlay budget as well as supplementary requests which arise throughout the year.

The Office of Contract Administration - Contract Administration provides the mechanism necessary for administering contracts for state construction work. This office also oversees the state bidding process for all construction projects using capital funds and administers state constructing regulations involving set-asides for women and minority owned businesses.

The Corrections Special Unit - All corrections projects funded through Chapter 799 of the Acts of 1985 and Chapter 658 of the Acts of 1986 fall within the purview of the newly-created special unit. Both programming and project management functions fall within the Special Unit, enabling it to have all necessary resources available to proceed with a project.

Who We Are and What We Do

The Division of Capital Planning and Operations (DCPO) was established in 1981 to improve the process of public construction within the Commonwealth. DCPO oversees new building construction and renovation for all state agencies. In this role, DCPO serves as the client for a substantial statewide construction program.

In addition to overseeing design and construction of state buildings, DCPO has responsibility for all of the state's real property functions: purchase, sale, lease and maintenance of land, buildings and facilities.

■The Division of Capital Planning and Operations performs its duties through eight offices:

— The **Capital Planning and Budgeting Office** is responsible for assisting agencies in preparation of long range capital facilities development plans, production of the capital budget document, and evaluation of capital project requests.

— The **Office of Programming** completes in-house studies or manages outside consultants who perform studies which evaluate the need for projects using capital funds, program project size and location, correlate projects with an agency's long range plan, and analyze project's impacts on the operating budget.

— The **Office of Project Management** oversees the design and construction activities associated with new construction and major renovations of state-owned property throughout the Commonwealth.

— The **Office of Facilities Management** undertakes projects intended to alleviate problems common among state-owned buildings. These projects include preventive maintenance and repair, emergency repair, energy conservation and other efficiency improvements, and projects to fulfill state building objectives such as accessibility for the handicapped, and fire, health, and safety code compliance.

— The **Office of Contract Administration** oversees public bidding procedures for all construction projects using capital funds.

— The **Office of Real Property** acts as the clearinghouse for all real property transactions.

— The **Office of Finance and Administration** is responsible for the fiscal and administrative operation of the Division of Capital Planning and Operations.

— The **Bureau of State Office Buildings** supervises the maintenance, security, and parking of the State House, state offices in Boston, Springfield, and Pittsfield, and all surplus state properties, in addition to directing the Capitol Police Force.

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The Bidding Process for Public Building Construction

On July 1, 1981 amendments went into effect for Massachusetts General Law, Chapter 149, the statute governing bidding on public building construction. Sections 44A through 44H apply to contracting by public agencies at the state, county and local levels. Some significant portions of the statute are summaried here (including reference to the pertinent section of Chapter 149 in parentheses).

■ **Projects Included:** Public contracts estimated to cost more than $5,000 for construction, reconstruction, installation, demolition, maintenance or repair of any building are included in the public bidding statute (section 44A).

■ **Award Requirements:** Contracts are publicly advertised and awarded to the lowest responsible and eligible bidder. Responsible is defined by the law as demonstrably possessing the skill, ability and integrity necessary to faithfully perform the work called for based upon a determination of competent workmanship and financial soundness in accordance with prequalification requirements. Eligible means in compliance with requirements stated in Sections 44A through 44H of Chapter 149, and that the contractor is not debarred from working on public projects and is able to furnish labor that can work in harmony on the job site.

The public agency which is the awarding authority is primarily responsible for determining responsible and eligible bidders, after adequate investigation. Contract award is made within 30 working days after bid opening. The bidder must provide a performance bond and labor and materials or payment band, each in the sum of the contract price (sections 44A and 44E).

■ **Advertising:** The first step in the bid process advertising by the awarding authority. For local projects covered by M.G.L. Chapter 30, Section 39M, advertisements must appear in at least one newspaper once a week, for at least two weeks, with the last publication at least one week before bid opening. The project must be advertised in the *Central Register*, published by the Secretary of State.

■ **Prequalification:** General contractors wishing to bid on public building projects are required to file an application to bid for each project, and three copies of a contractor qualification statement must be filed and updated each year with the awarding authority or the Division of Capital Planning and Operations (DCPO). For each project to be done for the Division of Capital Planning and Operations, the Division will evaluate the information submitted for the project and publish a list in the *Central Register* of those contractors qualified to bid and notify those ineligible to bid. This will be done at least two weeks prior to the bid date for general contractors. An applicant is entitled to notice of defects or omissions in the application to bid or prequalification statement, and has an opportunity to make changes or additions. Contractors dissatisfied with decisions of DCPO on prequalification may appeal to the Department of Labor and Industries (Section 44D).

The contractor has one week from the advertisement date to submit the application to bid with prequalification material. The awarding authority has two weeks to evaluate prequalifications and establish an eligible bidders list. Bids are due no earlier than 2 weeks after publication of the list of eligible bidders.

The numerical rating of contractors' qualifications and all documentary materials on which the rating was based, is to be filed with DCPO. The material on file is available for inspection by awarding authorities wishing to evaluate appli- →

cant for a later project. Files are located at the DCPO Office of Contract Administration. One Ashburton Place, 15th Floor, Boston.

For more details on prequalification requirements see the regulations: "810 CMR 6.00 Prequalification of Applicants to Bid on Public Building Construction Projects under chapter 149, Section 44A-H" published on 12/30/83 in *Massachusetts Register* Number 396, and on 1/4/84 in Volume 4, Issue 1 of the *Central Register.*

■ **Plans and Specifications:** The awarding authority must make plans and specifications available to each person requesting a set, normally requiring a deposit, which is fully refundable upon the return of the documents in good condition.

■ **Filed sub-bids** There are **17 sub-trades** in which an awarding authority is required to ask for sub-bids if the estimated cost of the sub-trade in a project is $10,000 or more. These trades are: roofing and flashing; metal windows; waterproofing; damp-proofing and caulking; miscellaneous and ornamental iron; lathing and pastering; acoustical tile, marble; tile; terrazzo; resilient floors; glass and glazing; painting; plumbing; heating; ventilating and air-conditioning; electrical work (including direct electrical radiation for heating); elevators; and masonry work.

Subcontractors seeking public work submit their bids to the awarding authority at the prescribed time and place. The general contractors then submit their bid based on costs included in the official filed sub-bid list. Contractors are required to use only those subcontractors who have submitted their bid proposals and appear on the sub-bid list.

■ **Filing of Bids:** The awarding authority may not require bids to be filed in duplicate in two different places. The awarding authority shall reserve the right to reject general bids in the public interest, and to reject subbids for lack of competence or because there are less than 3 bids and the prices are not reasonable for acceptance without further competition (Section 44E). Bids must be accompanied by a bid deposit which is five percent of the amount of the bid. The deposit will be returned after the contract has been awarded. The awarding authority must provide bid forms to the sub and general bidders. General and sub-contractor bids must be publicly opened and read forthwith after the time limit for filing (Sections 44E and 44F).

■ **Minority Owned and Women Owned Business Set-Aside:** A minimum of five percent of the estimated construction cost for work on capital facility projects subject to the supervision and control of DCPO must be established for SOMBA certified minority businesses, and a minimum of 5 percent must be established for SOMBA certified women-owned businesses. (Massachusetts General Law, Chapter 7, Section 40C).

How Designers Can Obtain State Work

The Commonwealth of Massachusetts is engaged in an ongoing program of maintaining its present facilities and constructing new buildings to provide needed space for state agencies. The Division of Capital Planning and Operations (DCPO) manages studies and oversees design and construction activities associated with new construction, major renovation, and preventive maintenance and repair of state-owned property throughout the Commonwealth.

Most studies and project designs are prepared by outside designers selected by an independent Designer Selection Board (DSB). The procedure for obtaining designer services is outlined in the reverse side of this page.

■ The first step for designers is to obtain the Public Notice which describes projects for which DCPO is seeking design services. The Public Notice can be obtained in several ways:

1. Issues of the **Central Register** published weekly by the Secretary of State contain the Public Notice of DCPO projects and list other public design work. A subscription can be obtained for $200 per year from the Secretary of State, One Ashburton Place, Boston, Mass. 02108. The **Central Register** is also available at main branch public libraries across the state. Single issues are on sale at the State House Bookstore.

2. The Public Notice is furnished to several professional societies for distribution to their membership. These societies are: Massachusetts State Association of Architects, Boston Society of Landscape Architects, Consulting Engineers, Council of New England, Boston Society of Civil Engineers, Massachusetts Society of Professional Engineers, MSPE Metropolitan Chapter, and American Planning Association of New England.

3. The Public Notice is available at DSB Headquarters, 15th Floor, One Ashburton Place, Boston, Mass. 02108 or by mail if postage stamps are provided for first class mailing. Availability of the Public Notice at the DSB or by mail is announced in a classified legal advertisement placed in the following newspapers: *Boston Globe, Boston Herald, Worcester Telegram, F.W. Dodge Report, Springfield Urion, Berkshire Eagle, New Bedford Standard Times, Brockton Enterprise, Quincy Patriot Ledger, Lowell Sun, and North Adams Transcript.*

■ Designers applying to obtain state work must submit:

1. Completed copies of the 3 page DSB application form included in the Public Notice package.

2. Supplemental material required for specific projects.

3. Current Master File Brochure Data which must be on file with the DSB. Data required are described in the Public Notice.

■ Designer Selection Process

1. DCPO:

a. prepares monthly list of projects
b. sets project priorities
c. prepares information to complete DSB Project Criteria form
d. prepares material for supplemental information on problem statement, objectives, scope of work, schedule, fee

2. DSB Staff:

a. assembles material for Public Notice

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b. prepares and advertises Public Notice
c. has Public Notice material printed
d. distributes Public Notice

3. DCPO:

a. conducts briefings on certain studies and projects

4. Designers:

a. prepare applications
b. submit applications to DSB

5. DSB Staff:

a. receives applications from designers
b. processes applications
c. delivers application material to Board members

6. DCPO:

a. prepares summary comparison of applicants
b. study or project manager attends DSB meeting

7. Designer Selection Board:

a. reviews applications
b. selects 3 designers in rank order as finalists

8. DCPO:

a. Deputy Commissioner appoints designer from finalist list
b. negotiates contract with designer

9. DSB Staff:

a. completes required records
b. distributes information to DCPO Directors

Keeping State Buildings in Good Shape

The Division of Capital Planning and Operations (DCPO) is developing a preventive maintenance program for state owned buildings. Inadequate maintenance of state facilities has long been recognized as a weakness of the Commonwealth's property management system. Agencies are responsible for the operation of their buildings, yet their primary focus is necessary on providing services. Facility maintenance accounts, given their indirect relationship to agency service provision objectives are too frequently a target for budget reductions. Often these budget reductions result in building components and systems that are poorly maintained, and attention to important aspects of building operations are often neglected until a breakdown occurs. This system of "reactionary maintenance," although particularly attributable to budgeting pressures, is actually costly to the Commonwealth.

■ **Preventive Maintenance** involves anticipating the maintenance requirements of building systems and equipment and developing a systematic plan to meet these requirements. Regular cleansing, adjusting, lubrication, and testing of all systems is performed according to a specified schedule and accompanied by observation and recording of conditions. Following this routine leads to early detection of impending problems before failure and prevents a critical level of deterioration from occurring. Repair work can be scheduled in coordination with other tasks. Data collection will also prove useful in agency preparation of long range capital facilities development plans.

■ **Pilot Program**: The development and implementation of a coordinated, comprehensive maintenance program is a major undertaking. DCPO will put the program in place on an incremented basis. The first step is the implementation of a pilot program. By undertaking a preventive maintenance program on a small scale, DCPO intends to gather information and insight which will provide for subsequent expansion.

Three sites which represent a cross section of state facility types have been selected for the pilot. These sites are the Massachusetts Correction Institute at Concord (Department of Correction), the Massachusetts Hospital School (Department of Public Health), and the Massachusetts Bay Community College (Board of Regents).

■ **State Experience with Preventive Maintenance**: The Department of Mental Health implemented a preventive maintenance program in June 1983 at five of its facilities. At these facilities, the transition from summer to winter operations was accomplished with 75% fewer problems than are normally encountered at these facilities. Long run potential savings are even greater. Results such as these could be realized state-wide with implementation of a comprehensive preventive maintenance program.

An Ongoing Project: Planning the Re-Use of State Facilities

The Commonwealth is the largest property owner in the state. Much of this property is controlled by agencies within the Executive Office of Human Services (EOHS) and is used as the physical base for delivering varied programs and services. Public ownership of this property not only provides for an appropriate geographical distribution of services, but also meets other local and regional needs — including employment and conservation of state land.

The current facility configuration, however, does not necessarily serve these purposes effectively and efficiently. Several properties are underutilized, while certain service needs are not met by the current capital stock.

The State Campus Planning Project is a cooperative effort to re-think uses of major state human services facilities, and to define and implement renewed roles for these campuses in the context of the state's overall service objectives.

■ **Planning objectives** include providing accessible settings for programs using campus locations in an effective network of regional service facilities, providing high quality services in humane settings for those dependent on the state for institutional care; responding to the employment, economic development, and environmental needs of the communities affected by the state campuses; and making the most effective use of the state's land, staff, and building resources.

■ **Planning direction** comes from a group consisting of the Secretary of Administration and Finance, the Secretary of Human Services, the Commissioners of Mental Health, Public Health, Corrections, Youth Services, and Capital Planning and Operations, and the Director of the Budget Bureau.

■ **Approach:** A range of re-use options will be considered for these campuses, from consolidation and Identifying surplus land, to the development of multi-agency, multi-program human services centers. Several steps will take place before options are selected:

1. Data collection about existing programs and facilities.
2. Analysis of data and agency program plans to identify needs, issues, costs, and trends.
3. Preparation of preliminary guidelines and procedures.
4. Development of proposals and position papers.
5. Preparation of preliminary recommendations for the utilization of state campuses, surplus potential, interagency use, and relocation.
6. Development of proposals for inclusion in the fiscal year 1986 budget cycle.

■ **Issues:** Some issues raised by a comprehensive reevaluation of the major EOHS campuses include:

1. Reviewing service delivery requirements for various programs.
2. Accommodation of necessary non-service-delivery functions on the campuses.
3. Role of existing regulatory procedures and the impact of these issues on program operations, site re-use, and physical improvements.
4. Rental, reimbursement, facility operation and redevelopment concerns.
5. Space re-allocation to separate those programs that reduce each other's effectiveness by proximity, and to pull together those programs that can benefit from shared space or close interaction.

A Program to Save Energy at State Facilities

The Division of Capital Planning and Operations (DCPO) has overall responsibility for capital expenditures at state facilities and for ensuring the most effective possible utilization of the Commonwealth's debt resources. DCPO has undertaken a series of initiatives to better utilize this resource by addressing problems common across state agencies.

One initiative by DCPO addresses the need to reduce the portion of state funds used to pay energy bills by reducing the amount of energy consumed at state facilities. Studies of selected state facilities have shown that an average of 30 to 40% of energy consumption can be eliminated by implementing an energy management program at each facility. DCPO is developing a comprehensive plan for reducing the state's energy consumption over several years.

■ **Strategy:** To develop an effective long term strategy, we need to understand how we use energy, systematically assess the effectiveness of various conservation methods and practices, and integrate energy considerations into other planning efforts. Three components and several activities will be conducted concurrently.

■ **Information Gathering and Dissemination** will establish an information base upon which effective energy management decisions can be made and will ensure that the progress we make can be documented. Successful projects can thus be replicated wherever they are appropriate. Activities under this component include:

1. Consumption monitoring and analysis to document historical and current energy consumption which will provide the information base on which targeting strategies and accountability structures can be developed.

2. Reports on consumption which will provide the information base on which targeting strategies and accountability structures can be developed.

3. Information sharing to draw on the existing expertise of state employees and to disseminate advice on energy conservation techniques.

■ **Improved Management of Energy** will generate the maximum result from these dollars. To better direct the funds available, DCPO will:

1. Schedule energy audits, beginning with the largest consumers and a representative set of facilities.

2. Examine the forms used for audits to ensure that they are useful to state facility managers.

3. Develop a mechanism using a DCPO technical assistance team to follow up with a facility manager who has had an audit.

■ **Long Range Planning** by all state agencies will capture the full potential of energy savings. DCPO will:

1. Develop in-house expertise to provide guidance through the Office of Programming's energy efficiency standards and the Office of Facilities Management's preventive maintenance procedures.

2. Assist agencies to incorporate energy planning and financing issues in development of their long-range capital investment plans.

3. Conduct a pilot program in third party financing for capital intensive energy development.

Schedule: Activities of all three energy conserva-

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tion components will be progressing simultaneously.

In 1983, seminars were held at state facilities during Massachusetts Energy Week, targets for audits were identified, and long-range energy concerns were addressed in the capital budget process, in studies, and in the development of maintenance procedures.

In 1984, the consumption monitoring effort is being established, audits are underway, and standards and procedures are being prepared to assist agencies in incorporating energy concerns in long range plans.

Later in 1984 and into 1985, reports will be issued for use in the fiscal year 1986 budget process, audits will continue, presentations will be made on common problems identifiec' in audits, and enforcement of standards and implementation of procedures will continue.

Steps Required to Complete Each State Building Project

1. **Agencies** prepare annual Long Range Capital Facilities Development Plans to provide the analytic context for consideration of project requests. The plans clarify the programmatic rationale for capital investment and provide guideposts for planning individual projects. The plans project five years into the future and are submitted to the Division of Capital Planning and Operations (DCPO) each fall.

2. **Agencies and Administrative Authorities** prepare annual Capital Outlay Budget Requests for the first increment of the Long Range Plan. The requests may be for studies, programs, land acquisition, design, new construction or renovation. Agency requests are submitted to Administrative Authorities and Regional Planning Commissions across the state. After holding public hearings and receiving comments on the requests, the Administrative Authorities submit recommendations to DCPO each fall.

3. **DCPO** reviews and evaluates all recommendations submitted and advises the Administrative Authorities of preliminary decisions regarding Capital Outlay recommendations to the Governor.

4. **Governor** submits final Capital Outlay recommendations to the General Court in House Bill Number 1

5. **General Court** enacts the Capital Outlay Budget.

6. **Governor** signs the Budget act which includes appropriations for studies, design, and construction work.

7. **DCPO** prepares a Spending Plan which is used to control the state's level of debt on construction bonds and aids DCPO in scheduling work on each study and project

8. **DCPO** prepares descriptions and scope of work and determines fees for each study and design project.

9. **Designer Selection Board** prepares a Public Notice list of DCPO projects and advertises its availability

10. **Designers** prepare applications and submit them to the Designer Selection Board

11. **Designer Selection Board** Selects 3 finalists in rank order to prepare studies or designs for all DCPO building projects which exceed $10,000 in value.

12. **DCPO** selects and appoints the designer and executes a contract for study or design work.

13. **Designer** prepares a study for the DCPO's Office of Programming with user agency participation. The study justifies and defines project needs, describing program requirements, existing conditions, the best solution from among several alternatives, and cost estimates for the proposed project. The study is submitted to DCPO and the user agency

14. If the budget appropriation does not include funds for design and construction, the **Agency** uses the results of the study to prepare a Capital Outlay Budget request for the proposed project. The request proceeds through steps 2 through 12 above leading to the appointment of a designer to prepare the design and construction documents

15. **DCPO** the Office of Programming certifies the results of the study. Deviations from the certi-

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fied program cannot be substantial, nor can costs be increased by more than 10%.

16. **Designer** prepares the project design and contract documents based on the program, with work overseen, reviewed and approved by DCPO's Office of Program Management or Office of Facilities Management.

17. **DCPO** advertises for bids on the construction contract.

18. **Contractors** prepare bids and filed sub-bids and submit them to DCPO.

19. **DCPO** receives bids from contractors that meet pre-qualification standards, and awards contracts. DCPO also monitors contractor compliance with minority and woman owned business set aside requirements.

20. **Contractor** constructs the project overseen by the designer and DCPO staff.

21. **DCPO** conducts the final inspection, closes out and accepts the project, which starts the one year guarantee period.

22. **DCPO** conducts a post occupancy evaluation after at least one year of use to determine user satisfaction and performance of the designer.